

Commentary

September 12, 2011

The Markets

Data as of 9/02/11	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	-1.7%	-8.2%	4.0%	-2.0%	-2.3%	0.6%
DJ Global ex US (Foreign Stocks)	2.9	-11.5	-0.5	-1.4	-1.5	5.4
10-year Treasury Note (Yield Only)	2.0	N/A	2.8	3.6	4.8	4.8
Gold (per ounce)	-1.3	31.3	47.5	33.3	25.8	21.2
DJ-UBS Commodity Index	-1.2	-1.1	18.9	-3.0	-0.3	4.7
DJ Equity All REIT TR Index	-0.6	0.0	8.4	0.0	-0.8	9.8

Notes: S&P 500, DJ Global ex US, Gold, DJ-UBS Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; the DJ Equity All REIT TR Index does include reinvested dividends and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance, Barron's, djindexes.com, London Bullion Market Association. Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable or not available

Are we heading toward a “currency war?”

When there's turmoil in the stock market or in the geopolitical environment, investors sometimes flee toward perceived “safe havens” in the hope of protecting a portion of their assets. While there's no guarantee that any investment will be free from risk, the following assets have sometimes been on the receiving end when times get tough:

- U.S. dollar
- Swiss franc
- Japanese yen
- U.S. Treasury securities
- Gold

Sources: Goldline.com, U.S. Census Bureau

For example, Europe's debt woes have soured investors on the euro (the European common currency) and pushed investors to the Swiss franc. This flight to the franc has been so strong that in early August, the franc hit a record high against the euro, according to *The Wall Street Journal*.

Unfortunately for the Swiss, the high value of the franc created countrywide economic problems. *The Wall Street Journal* said the soaring franc, “pushed some weaker Swiss exporters into bankruptcy, and sent others scrambling to slash prices to hold onto

business.” In addition, “Tourists, an important source of income for the Swiss economy, now find it more expensive than ever.” Essentially, the strong franc created domestic havoc.

Well, last week, the Swiss National Bank decided enough was enough. The bank announced that it would cap the value of the soaring franc and, “buy euros in ‘unlimited quantities’ whenever the single currency fell below 1.20 francs,” according to *The Wall Street Journal*. Within minutes of that announcement, the value of the franc plunged 8 percent against the euro, according to Bloomberg.

Without getting bogged down in the details, this was an extremely bold move by the Swiss and could lead to, “a currency war, in which a growing band of countries seek to lower the values of their currencies to protect their economies,” as reported by *The Wall Street Journal*.

Dramatic currency intervention like this adds one more wrinkle to the uncertain worldwide economic environment. While we can’t control situations like this, it’s on our radar and we’ll monitor it and adjust for it on your behalf as best we can.

9/11 – 10 Years Later

The past week was filled with remembrances of that tragic day 10 years ago when we lost nearly 3,000 of our loved ones and the country lost its feeling of peace and security. We will never forget the grief, the heroism, and the pulling together of the nation as we all tried to heal in the days and months following that fateful event.

Much has changed since then and, in a way, we all lost some of our innocence and perhaps some of our optimism. But, as Americans, we are a resilient nation. We’ve endured tragedy and war before and we always found the strength and the courage to overcome. The pain of the terrorist attacks is still with us, the images still vivid, the effects still lingering, but persevere we do and prevail we will.

While it pales in comparison to the human toll of 9/11 and its aftermath, the U.S. financial markets and the economy have been relatively weak in the years since that day. Here are some examples:

- Over the 10 years between September 10, 2001 and September 9, 2011, the S&P 500 index rose only 5.6 percent -- that’s a compound average annual return of only 0.6 percent excluding dividends. *Source: Yahoo! Finance*
- Over the 10 years between September 10, 2001 and September 9, 2011, the price of one ounce of gold rose 581.8 percent -- that’s a compound average annual return of a whopping 21.2 percent. The rise partly reflects inflation

concerns, currency debasement, and a general flight to safety. *Source: London Bullion Market Association*

- The U.S. experienced two recessions since 2001. *Source: National Bureau of Economic Research*

From the terrorist attacks and their aftermath to the sluggish economy, it's been a difficult 10 years for our country. And, just like it has taken time to process the 9/11 tragedy, it will take time for our global financial system to deleverage and cleanse itself. As this unwinding continues, there will be setbacks. But, over time, our human spirit will strengthen, our economy will improve, and the world will be a better place.

Weekly Focus – Remembering 9/11

Enjoy the little things, for one day you may look
back and realize they were the big things

- *Robert Brault*

Best regards,

Mariner Wealth Advisors

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P.S. Please feel free to forward this commentary to family, friends, or colleagues. If you would like us to add them to the list, please reply to this e-mail with their e-mail address and we will ask for their permission to be added.

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* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. * The DJ Global ex US is an unmanaged group of non-U.S. securities designed to reflect the performance of the global equity securities that have readily available prices. * The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market. * Gold represents the London afternoon gold price fix as reported by the London Bullion Market Association. * The DJ Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998. * The DJ Equity All REIT TR Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones. * Yahoo! Finance is the source for any reference to the performance of an index between two specific periods. * Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance. * Content for this newsletter is prepared through Peak Advisor Alliance. * Past performance does not guarantee future results. * You cannot invest directly in an index. * Consult your financial professional before making any investment decision. * To unsubscribe from the "Mariner Wealth Advisors Weekly Market Commentary" please reply to this e-mail with "Unsubscribe" in the subject line, or write us at 4200 West 115th Street, Leawood, KS 66211.